



FOUNDATION FOR FAIR CONTRACTING
OF CONNECTICUT, INC.

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TESTIMONY of
Cindy Dubuque, MSW
Executive Director

Re: Subject Matter Bills Prevailing Wage and Unemployment

February 24, 2015

Honorable Senator Winfield, Honorable Representative Tercyak, and esteemed members of the Labor Committee:

The Foundation for Fair Contracting of Connecticut ("FFC") submits this testimony in opposition to any and all bills that seek to weaken or eliminate the prevailing wage and negatively alter unemployment for workers.

My name is Cindy Dubuque and I am the executive director of the Foundation for Fair Contracting of Connecticut. The FFC-CT is an industry-sponsored organization. Our mission is to promote compliance with laws and regulations relating to public works construction. Specifically, we focus on issues concerning wages, classification of workers and apprenticeship standards.

Prevailing wage is the minimum wage paid to construction workers on public construction projects. Historically, the prevailing wage was designed to keep labor on public construction local, so that outside contractors were not taking money that would otherwise be spent in-state, out of state. For every dollar spent on public construction, \$1.57 (Zinn, 2010) is reinvested into the economy; we want that money reinvested in Connecticut, by Connecticut workers. Prevailing wage was introduced by Republican lawmakers, Congressman Bacon and Senator Davis, as a means of assisting contractors with fair and competitive bidding. By instituting a prevailing wage, contractors could compete fairly against other contractors who might come from out of state. There are three major financial factors when bidding on construction: labor, materials and profit/overhead. When labor costs and materials are essentially the same for everyone, the real competitive bidding comes down to profit/overhead.

Some may argue that limiting prevailing wage would increase the number of projects in the state and lead to more jobs. This claim is unsubstantiated. However, if this were true, what is the benefit of having more lower-paying jobs that don't allow for the growth of a middle class? If people cannot make enough money to support their families, build assets and invest in their future, then we are not creating a better economy with more jobs; instead, we are creating an economy where more people are asset limited, income constrained and employed, also known as the "working poor". Instead of people working one job to feed their families, they are working two or more, which subsequently takes away jobs from others seeking employment.

According to the United Way, Asset Limited, Income Constrained, Employed (ALICE) report, an individual needs to earn \$10.97/hour to survive and \$15.06/hour to be stable, while a family of four needs to earn \$32.34/hour for survival and \$55.81/hour to be stable. These hourly figures are calculated at full-time employment of 2,000 hours annually. However, in the construction industry, workers' hours range from 1,200-1,800 hours annually, making it far more difficult to meet those hourly wages to achieve stability for their families. Ostensibly, a worker could end up stringing together 5-8 or potentially more jobs on various projects to maintain consistent employment. As it is, workers often need to access unemployment benefits as a stop gap measure to maintain income. Altering unemployment and requiring a week long wait to determine eligibility before receiving benefits would further harm workers who already experience financial uncertainty. Additionally, requiring that workers show up in person to access benefits is demoralizing and demeaning. Being on unemployment is discouraging enough without having to be shamed in the process.

We urge the committee to oppose these prevailing wage bills that seek to alter or repeal the prevailing wage and support the hard working men and women of the construction industry by not altering unemployment benefits.

Thank you for allowing me to testify on this matter.